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## Governor's Solar Advisory Task Force

Date/Time: Thursday, February 23, 2012, 2:00 p.m. - 4:00 p.m.

Location: Snell & Wilmer, 400 E. Van Buren, Phoenix, 19th Floor

Co-Chairs: Leisa Brug, Director, Governor's Office of Energy Policy  
James Strock, Serve to Lead, Inc.

Members Present: Brad Albert, APS; John Blair, Sulphur Springs Valley Electric Cooperative, Inc.; Franc Del Fosse, Snell & Wilmer LLP Law Offices; Glenn Hamer, Arizona Chamber of Commerce & Industry; Kate Maracas, ABENGOA SOLAR; Michael Neary, ARISEIA Arizona Chapter Solar Energy Industries ASSN; George Seitts, Rose Law Group, PC; James Strock, Serve to Lead, Inc.; Robert Wanless, SOLON Corporation; Laurie Woodall, URS

Members Absent: Charles B. Duckworth, SRP; Patrick James Graham, The Nature Conservancy; Herb Hayden, Southwest Solar; Allison Hoskins-Suriano, Kennedy Partners; David Hutchens, Unisource Tucson Electric Power; David Martin, Associated General Contractors; Sean M. Seitz, American Solar Electric; Polly Shaw, SUNTECH

Invitees: Appointed members of the Task Force  
Maria Baier, State Lands Commissioner  
Kevin Kinsall, Natural Resources Policy Advisor

Guests: Allison Bell, APS; Ian Calkins, Copper State Consulting Group; Michelle De Blasi, Quarles & Brady; Trisha Ekenberg, Governor's Office of Energy Policy; Marc Espenback, Snell & Wilmer; Grancarlo Estrada, KMLF; Lauren Ferrigni, AZTC; Michael Grossman, Green Chamber; Teresa Harris, Groundwater & Environmental Services, Inc.; Lon Huber for Polly Shaw; SUNTECH; Jamie Kern, ASU; Steven Limpert, ASU; Blaine Miller, Governor's Office of Energy Policy; Joe Mc Guirk, Sun Miner, LLC; Jason O'Leary, ASU; Amanda Ormond, Ormond Group; Kathy Pedrick, BLM; Bruce Plenk, City of Tucson; Joe Salkowski for David Hutchens, Unisource Tucson Electric Power; Bob Schmetzer, RG Schmetzer, Inc.; Martin L. Shultz, BITFS

### 1. CALL TO ORDER

Leisa Brug called the meeting to order at 2:14 PM.

### 2. APPROVAL OF MINUTES

Leisa Brug calls to approve the minutes for the previous meeting; Jack Blair seconds, all approve.

### **3. SPECIAL GUEST: BLM Arizona State Office – update on RDEP**

Kathy Pedrick, Program Manager of Restoration Design Energy Project EIS

Kathy Pedrick: We have been working on the project for about a year-and-a-half. The concept came when we saw renewable energy interest in the western desert especially the BLM lands. We have all of this raw desert that has been unimpacted, and many already disturbed spaces – previously used farms/agriculture, etc., as well as land that has ‘low-resource value’. Let’s take a look at how much land we have and see if we can put some of this development on the previously disturbed land. This is not a project for something that is already in progress. For example we do not have a power plant we are looking to site, rather this is a land-use planning effort which is taking place to help allocate these lands to renewable energy. This takes the problem areas out of the way in the process of permitting since BLM has already decided through public process to allow these lands to be used for renewable energy development. You will still need to do site specific, project specific work on the land. We have a draft EIS on the street. We are currently in a 90 day comment period that began last Friday. We are going to have five public meetings. The idea is to get a lot of public exposure. We are working with industry, utilities, governments, the public and more to make sure that everyone is buying into this project early-on in the draft phase. RDEP is a “Step-down” to the Solar PEIS. Arizona was in the lead in this process already, and therefore it is being used as a model for other states, and CA is next behind us. We worked with a lot of state agencies. We have gone around the state doing a lot of presentations. One of the areas we focused on was disturbed lands with low resource sensitivity, and we did a lot to limit them to utility-scale solar. A lot of industries use the sun, for example algae. There are multiple scales; large landscape is not the only type anymore. Smaller pieces of land are also valuable resources. A good example of this is the Wind Farm in Northern Arizona. Variance areas: the work we’ve done in this project will help with a lot of those lands. We looked at places that could be taken off the map right away so they could be eliminated, like any area with a special designation like a wildlife area or a national monument. There are many areas with sensitive things. We didn’t just look at BLM lands, we also looked at adjacent lands including state lands and private lands, but we did not include tribal lands unless they asked us to, and we did not include military lands. The first thing we did was ‘cut-up’ the map areas to look at different alternatives. We first looked at transmission. The next way was looking at the load. The transmission issues are diminished. The CAP canal is one example. It uses a lot of electricity. Water conservation and protection is another way of looking at lands – some groups have had to pull their project back or needed to change things due to water limitations. We mapped so that we could identify vulnerabilities, and checked for high, medium and low sensitivity zones. We also identified land that was previously used for disposal. Our preferred maps are the transmission and load maps. When you go to some areas they may say this is fine for the rest of the state but maybe not for our particular area (possibly a cultural value that we did not identify). A large tract of BLM land, there is a lot of hunting activity and a wildlife corridor. They are near transmission, built substations, and water and power there, and roads because there was a previous working farm. The preferred size that we are proposing is the median size, which is 6700 acres. Public comment period will go until the middle of May. The Solar PEIS is expected to be due in the fall, and we are aiming for the end of the year, depending on the public comments.

Kate Maracas: Please clarify the size of what was considered a utility-scale project.

Kathy Pedrick: Greater than 20MW

Lauri Woodall: You identified transmission lines. Did you associate ownership with loads in the area?

Kathy Pedrick: No. We only identified loads.

Leisa Brug: State Lands and Maria’s group have been working with them and the Governor funded \$1 million for the planning process and worked with BLM on that. The map was shared, and goes along with her vision of streamlining and government reform.

### **3. OLD BUSINESS**

- Update on recommendations to Governor Brewer

Leisa Brug: Governor Brewer has accepted 100% of what we have presented. She loves the white paper on the rooftop permitting. The question she had was how does it fit in with the Sun Shot? She loved the 'R3', but wasn't convinced to do it through Executive Order. She wanted to have more information on all the groups and why they are being included before she decides how to follow through with it.

- Sunshot Update

Leisa Brug: Blaine and Trisha are here from our office and Burce Plenk is here too. Blaine will talk about it. And I signed the contract today!

Blaine Miller: This helps the permitting for installation of solar on residential and small commercial. It will help it to be more efficient. Many places have home-rule for their permitting. We are trying to make the process be nearly the same for all communities so that people know exactly what to expect, and so that it can be done in a reasonable amount of time. We wanted to see who had some really great processes in place, and Bruce Plenk from Tucson is where we are starting. He will be working with us to help us get started. We have partners in Flagstaff,

Phoenix, Tucson, Smart Power and ASU. We have a webinar kick-off on Thursday the 29<sup>th</sup>, and all the Sun Shot awardees were asked to put together a 1 minute video to promote our project.

James Strock: You mention the other states, how do you envision other states interacting with this project?

Blaine Miller: We are trying to identify how many people really need to look at the plug-n-play systems and just make it as uncomplicated as possible. We are going to try to do a regional meeting as well to include Colorado, California and NASEO too.

Leisa Brug: The next phase for larger projects may be regional, will be larger funding and so we are already making friends in other states so that we can be ahead of the game. They gave us the second largest grant in the nation for Phase One, so we are trying to prove that we deserved it. Next we will be calling in our regional states such as Nevada, Utah and New Mexico, and we want them to jump into the project with us and DOE is very excited to do work with us.

- Permitting Subgroup

- a. Commercial scale solar permitting white paper

Robb Wanless: I should have a draft model available for the next meeting, but I am working with Bruce Plenk also and Pima County to work on this part of it. There is a lot more work for this one than there was for the residential part. Sean Seitz has been helping with his experience with the small commercial projects, using the MAG standard to help get that going.

- b. Utility scale solar permitting white paper

Robb Wanless: We are working on the next piece but it is down the road.

- Financing Subgroup Update

Franc Del Fosse: We are getting into a groove with our meetings. At the February meeting we identified some specific items we'd like to focus on. A lot of things effect financing. There are many things that people feel are ancillary but are going to affect this aspect. Bill 2830-? Compliance with that statute makes financiers uncomfortable. 15-2-3 or 15-2-13? Effects school districts because most of the solar being done for DG is currently on residential due to most of the schools being done through PPA.

Michael Neary: Part of the issue is the stakeholder involvement in the process of writing of the bill.

Franc Del Fosse: The challenge is finding how this will work with financing for the school districts.

Leisa Brug: We are very aware of the bills going through the legislative session currently.

Michael Neary: I think it will be good for this group to aware of any legislative bills going on.

Leisa Brug: We have helped with the technical side and are going to continue working on it since groups like SFB get funding through us.

Lon Huber, representing SEIA: We have been heavily involved with the schools language. There have been some concerns with the banking association and they want to sit in and get on the same page. They don't fully understand the PACE program and would like help with understanding it better. The stakeholder meeting will be next Monday or the following Monday. Bill# 2789 All improvements are first in position. I have some talking points to 'myth-bust' some items.

Franco Del Fosse: There are some state tax improvements that could be recommended. Could we put together a white paper to make some recommendations?

Leisa Brug: Yes, that can be done.

Franco Del Fosse: We are looking at one for residential and one for commercial. We think that the state tax one is one that many people can get behind and support.

Amanda Ormond: Is this something you'd like to get done this year?

Franco Del Fosse: We hadn't discussed trying to get it in this year's legislative session.

- Transmission Subgroup Update

Laurie Woodall: I have a very nice list of stakeholders: I don't have State Land, but I do have major utilities, BLM, Law firms, merchant line developer, and many others. There will be a teleconference on February 28th. We are going to talk about how to define the utility scale market. We've already had some off-line thoughts from some of the participants. I heard some very good speakers discuss Business Models for Renewable Energy in the 21<sup>st</sup> Century. It was very interesting what they were speaking of in relation to financing. I would recommend following their group and checking their website. They are having another conference, and I encourage you to check it out. [www.ACORN.org](http://www.ACORN.org) They have other initiatives as well, but this was about financing.

James Strock: They are involved with other efforts with other states and at a national level.

Leisa Brug: I encourage you to continue to be involved because it helps our group continue to have fresh ideas to work on.

Amanda Ormond: Why does the group need need to wait one year with coming back with recommendations? If there is something that comes up sooner it can't go up (to the Governor) sooner? It seems that one year is quite far away.

Leisa Brug: Yes, we got the recommendations in December 23rd last year, and they were due December 30. So we work really hard to get the recommendations in. If something is time-sensitive, it will be sent up sooner. Keep in mind a big chunk of the legislative session and the centennial activities and the State of the State are behind us, so there will be things going on quite a bit now. We are required to get things to her by the end of the year.

- Discussion of upcoming solar efforts & events—discussion/announcements

Leisa Brug: We have a Geothermal Workshop on Wednesday, March 7<sup>th</sup>, flyers are available. I'm a big believer in dual systems and that geothermal and solar work well together. We are putting on the Summer AMC Plenary session. I am on the Energy Work Table for the commission. We had a renewable energy tour put on the docket. It is called a Renewable Energy Tour, and will have a luncheon and open discussion. We will take a tour of the technology park there. And a Round Table will be taking place also. We are looking for a lunch sponsor for the meeting. Topics are being finalized. The Energy Director from Sonora and some of his officials and staff are coming out to meet with me tomorrow. We are going on a helicopter tour of some SRP projects with them.

Amanda Ormond: ASU Solar Summit March 26&27 – this will be a follow-up to last year's.

Michael Neary: PV America West in San Jose

Robb Wanless: CEPA Conference, Tucson April 12-19<sup>th</sup>, Utility conference

Laurie Woodall: Did anyone attend the Gila Bend energy meeting?

Leisa Brug: Blaine attended for me while I was in D.C.

Amanda Ormond: Gila Bend is trying to figure out their transmission issues. They are trying to figure out how to move forward. They need to know a lot more about the transmission needs in the area. They have done a lot to identify land in their area.

Kate Maracas: There are so many great projects in the area. Let's brand this and let's create a solar hub in this area. Their overarching goal is to take advantage of this huge idea.

(Unsure of male speaker name?): Can we look at some of the regional ideas like Nevada?

Michelle De Blasi: Event on Monday night which is a road show. Marty, myself and Chris Davey, chair for the Energy Consortium, it will be informal, fun, and we can send Leisa details.

(Unsure of male speaker name?): Green Tech Media will send Leisa an email

Michael Grossman, representing Green Chamber: Monthly, March 15 with Mayor Stanton;

March 27 signature events, Great Green Business Search, to help overcome difficulties with incubating companies. Sponsorships and contestants spaces are still available.

#### **4. NEW BUSINESS**

None

#### **5. COMMENTS/ANNOUNCEMENTS**

Michael Neary: Who gets to do energy policy in Arizona? December of 1990 was the last time we had an energy policy. It took about one year of public and stakeholder input to create. Let's develop an overall energy policy because each group does their own little piece, ACC, Courts, etc. Should this group advise the Governor on this?

Leisa Brug: Yes, the pieces of the pie we have chosen have been strategic in getting stepping stones in place to possibly be working on that in 2013. We will then have the knowledge and the background in place to get it going. The great thing about the climate we have is there is a high level of cooperation, and that makes this a nice place to be. And the reason she put the Energy Office in her office is so that she can have more of an impact.

Kate Maracas: We need to create a vision, a mission statement, with very clear definable goals so that we can unify people in the same direction. What are our goals? 20 GW over the next 20 yrs? If yes then we can work towards meeting those goals, and defining what is needed to get there.

(Unsure of male speaker name?): Colorado is looking at exporting a specific amount of energy so that is what they are working towards, since it is defined.

Kate Maracas: I worked with your boss to look at Arizona's interconnection.

(Unsure of male speaker name?): Developers that have an interest in transmission? in Arizona are presenting to the California PUC.

#### **6. PUBLIC COMMENTS**

None

#### **7. ADJOURNMENT**

Meeting adjourned at 3:49PM.

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